

**CITY OF BISMARCK**  
**POLICE PENSION FUND**  
**State Investment Board**  
**Balance Sheet**  
**As of 8/31/2008**

	As of <u>8-31-08</u>	As of <u>6-30-08</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 7,695,036	\$ 7,688,804
INTERNATIONAL EQUITIES	2,760,871	2,942,651
DOMESTIC FIXED INCOME	7,383,072	7,214,697
INTERNATIONAL FIXED INCOME	2,017,885	2,062,409
REAL ESTATE	2,124,627	2,232,500
ALTERNATIVE INVESTMENTS	705,117	734,527
INVESTED CASH (NOTE 1)	<u>22,631</u>	<u>97,628</u>
 TOTAL INVESTMENTS	 22,709,239	 22,973,216
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	<u>45,434</u>	<u>44,180</u>
 TOTAL RECEIVABLES	 45,434	 44,180
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	378,078	378,078
 TOTAL ASSETS	 <u>\$ 23,132,751</u>	 <u>\$ 23,395,474</u>
 <b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	378,078	378,078
INVESTMENT EXPENSE PAYABLE	<u>30,611</u>	<u>30,905</u>
 TOTAL LIABILITIES	 408,689	 408,983
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	22,986,491	24,060,610
CASH IN DURING YEAR (NOTE 3)	0	0
CASH OUT DURING YEAR (NOTE 4)	0	0
NET INCREASE (DECREASE)	<u>(262,429)</u>	<u>(1,074,119)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>22,724,062</u>	 <u>22,986,491</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 23,132,751</u>	 <u>\$ 23,395,474</u>

**CITY OF BISMARCK  
POLICE PENSION FUND  
State Investment Board  
Profit and Loss Statement  
For the Month Ended 8/31/2008**

	Month Ended <u>8-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 49,092	\$ 88,668
SECURITIES LENDING INCOME	<u>735</u>	<u>1,542</u>
	49,827	90,210
 GAIN ON SALE OF INVESTMENTS	 145,099	 327,110
LOSS ON SALE OF INVESTMENTS	<u>119,055</u>	<u>270,802</u>
 NET GAINS (LOSSES) INVESTMENTS	 26,044	 56,308
 INVESTMENT EXPENSES	 12,224	 24,170
SECURITIES LENDING EXPENSES	581	1,153
 NET INVESTMENT INCOME	 63,066	 121,195
 NET APPREC (DEPREC) MARKET VALUE	 (127,324)	 (386,122)
MISCELLANEOUS INCOME/(EXPENSE)	<u>2,522</u>	<u>2,498</u>
 TOTAL INVESTMENT INCOME	 <u>(61,736)</u>	 <u>(262,429)</u>
 NET INCREASE (DECREASE)	 <u>\$ (61,736)</u>	 <u>\$ (262,429)</u>

**CITY OF BISMARCK**  
**POLICE PENSION FUND**  
**Notes To Financial Statements**  
**August 31, 2008**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

**NOTE 1**     **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

**NOTE 2**     **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

**NOTE 3**     **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

**NOTE 4**     **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.